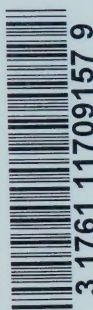


CAI
RT
-70C77



CTV TELEVISION NETWORK LIMITED
Presentation to the
Canadian Radio-Television Commission
concerning the proposed amendments
to the Radio (TV) Broadcasting Regulations
as announced on February 12, 1970.

CAI
RT
-70C77

EXHIBITS AND ATTACHMENTS

Government
Publications

PROPOSED AMENDMENTS - BROADCASTING ACT

ITEM

SUBJECT

Letter to P. Juneau
January 29, 1970

Timetable of Industry

EXHIBIT I

Analysis of Canadian Program Hours 1969/70
Under Current Regulations

EXHIBIT II

Analysis of Canadian Program Hours 1970/71
Under Proposed Regulations

EXHIBIT III

1970/71 Program Cost Projection
Under Proposed Regulations

EXHIBIT IV

1970/71 Revenue Projection
Under Proposed Regulations

EXHIBIT V

Woods/Gordon Analysis - Station Costs
And Revenue Implications
Under Proposed Regulations

EXHIBIT VI

Television Commercial Format Comparisons
Existing and Proposed Regulations

EXHIBIT VII

Canadian Programs Licensed by
British Contractors and
Canadian/British Co-production

Letter to
Hon. A.J. MacEachen
and Reply

U.S./Canada Immigration
Requirements and Procedures

EXHIBIT VIII

Analysis of 1968/69 Program Costs

EXHIBIT IX

Prime Canadian Station Share versus
U.S. Stations' Share
Toronto and Vancouver



CTV Television Network Ltd. 42 Charles Street East Toronto 5 Canada (416) 924-5454

Murray Chercover
President and Managing Director

C O P Y

January 29th, 1970

Personal & Confidential

Mr. Pierre Juneau
Chairman
Canadian Radio-Television Commission
100 Metcalfe Street
Ottawa 4, Ontario

Dear Pierre:

Since our exchange of telephone calls regarding the change of date for our license renewal, I have been greatly concerned about the implications of the rather demanding timetable of the broadcasting industry. I advised you at the time of the decision to defer the CTV hearing until April that the development of programming for the 1970/71 season was already underway, and that the timetable of acquisition of product was dictated not by our wishes but by the existing pattern of commitment throughout the broadcasting world.

From approximately mid-February through mid-March we will be confirming production of new series programs and individual program projects, and we will be evaluating and acquiring rights for the 1970/71 season. While this might be mechanically deferred insofar as the acquisition of programming is concerned, from the standpoint of our position within the advertising community any delay could seriously affect our potential revenue position.

The advertising community generally reviews availabilities and schedules in the period from the 1st of March through the 15th of April, and our major accounts generally establish the level of their commitment through that same period. If I were to advise them that our schedule was not firm until the middle of April, I can only suggest that our loss in the heaviest period of booking could range anywhere from \$1,000,000 to \$3,000,000. Obviously these early commitments are critical to our achieving our budgetary goals in terms of income.

/2...

C O P Y


- 2 -

Mr. Pierre Juneau
January 29th, 1970

I thought it would be useful if I reviewed this matter for you, so that you will understand it is incumbent upon us to proceed to commission, contract and license and indeed to contract for the sale of our 1970/71 broadcast schedule in advance of your hearing on April 14th.

Best personal regards,

M. Chercover/pc



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/31761117091579>

ANALYSIS CANADIAN PROGRAM HOURS 1969/70UNDER CURRENT REGULATIONSHOURS PER WEEK

	<u>PRIME TIME</u>		<u>DAYTIME</u>		<u>T O T A L</u>
	<u>Foreign</u>	<u>Cdn.</u>	<u>Foreign</u>	<u>Cdn.</u>	
6:30 - 11:30					
	<u>Total</u>		<u>Total</u>		
Network Sales Time	9:30	4:40	14:10	2:30	8:30
Station Sales Time	12:30	3:00	15:30	--	9:00
Total Network Service	22:00	7:40	29:40	2:30	17:30
					20:00
					49:40

Prime Time Breakdown - N/W Service

6:30 - 11:30 p.m. 7 days x 5 hours

Less: 6:30 - 7:00 p.m. daily - Stn. Programming 3:30
 7:00 - 7:30 p.m. Wednesday - " :30

35:00

4:00

31:00

1:20

Less: Post National News to 11:30 p.m.

Prime Time Delivery

...

29:40

ANALYSIS OF CANADIAN PROGRAM HOURS 1970/71

UNDER PROPOSED REGULATIONS

HOURS PER WEEK

	-----PRIME TIME-----		-----DAYTIME-----		T O T A L
	Foreign	Cdn.	Foreign	Cdn.	
Network Sales Time	7:00	7:10	14:10	3:30	23:40
Station Sales Time	10:00	5:30	15:30	--	24:30
Total - Network Service	17:00	12:40	29:40	3:30	48:10

Station Programming Outside N/W Service (assumed to be Cdn. Content)

6:30 - 7:00 p.m. daily	3:30
Post-Late News	1:20
	53:00

Network sales prime time programming:

News	2:10
Foreign	7:00
Canadian	5:00
	14:10

CTV TELEVISION NETWORK LTD.

1970-71 PROGRAM COST PROJECTION

Network Sales Time	\$ 8,070,000
Station Sales Time	4,425,000
	<hr/>
Total Regular	\$12,495,000
Add: Specials, actuality news, feature films, football, etc.	3,000,000
	<hr/>
Total	\$15,495,000
	<hr/> <hr/>
Projected costs, 1970-71, per above	\$15,495,000
Expected Costs, 1969/70	11,900,000
	<hr/>
INCREASE	\$ 3,595,000
	<hr/>

ROYAL TRUST TOWER
P.O. BOX 253 TORONTO-DOMINION CENTRE
TORONTO 111, CANADA
TELEPHONE 368-4761 (AREA CODE 416)

April 10, 1970

Mr. Murray Chercover
President and Managing Director
CTV Network Ltd.
42 Charles Street East
Toronto 285, Ontario

Dear Mr. Chercover:

At your request we have carried out a study to estimate the likely revenue and cost effects on the CTV member stations if CRTC's proposed new Canadian content regulations are applied to the 1970-71 broadcasting season. A summary of our estimate of the decline in net revenue resulting from the proposed regulations is set out below.

<u>Effect of Proposals</u>	<u>Estimated Decline in Net Revenues</u> <u>Range</u>
Replace 6 hours of U.S. programs sold by the stations in prime time with a combination of Canadian and U.K. content	\$6,200,000 - \$7,200,000
Replace 4.5 hours of U.S. programs on Network prime time in which the stations now sell adjacent commercial spots	300,000 - 500,000
Diminish stations' ability to package off-prime with prime-time commercial spots	<u>400,000 - 1,000,000</u>
Estimated total decline in net revenues	<u>\$6,900,000 - \$8,700,000</u>

The basis for these estimates is described in our report to you dated April 8, 1970.

Yours very truly,

EBC:MEW:1mb

Woods, Gordon & Co.

CTV TELEVISION NETWORK LTD.1970-71 REVENUE PROJECTION

<u>Rate Card Category</u>	<u>Approx. % Sell Out</u>	<u>Estimated Revenue</u>
AAA U.S.	99%	\$ 4,000,000
AA Cdn./U.K.	50%	3,380,000
BB News	99%	1,160,000
B W.W.O.S.	65%	450,000
B Sunday Afternoon	40%	90,000
C Daytime	70%	1,170,000
		<hr/>
		\$10,250,000
Specials	500,000	
Actuality News	380,000	
	<hr/>	880,000
		<hr/>
TOTAL	\$11,130,000
		<hr/> <hr/>
Projected Revenue, 1970-71, as per above		\$11,130,000
Expected Revenue, 1969/70		14,300,000
		<hr/>
DECLINE		\$ 3,170,000
		<hr/> <hr/>
		(22.2%)

Above based on proposed 30% Limitation
U.S. programs in prime time.

TELEVISION COMMERCIAL FORMAT COMPARISONS

ONE HOUR PROGRAMS

	<u>Total Minutes</u>	<u>Break 1</u>	<u>Break 2</u>	<u>Break 3</u>	<u>Break 4</u>	<u>Break 5</u>	<u>Break 6</u>
Present Format Structure	10 Minutes	30/30	60/30/30	60/30/30	30/30/60	30/30/60	30/30
Proposed Format Structure	10 Minutes	<u>Break 1</u> 30/30/30/30/	<u>Break 2</u> 60/30/30/30/30	<u>Break 3</u> 30/30/30/30/30/30	<u>Break 4</u> 30/30/30/30/		

ONE HALF HOUR PROGRAMS

	<u>Total Minutes</u>	<u>Break 1</u>	<u>Break 2</u>	<u>Break 3</u>
Present Format Structure	5 Minutes	30/30	60/30/30	30/30/30/30
Proposed Format Structure	5 Minutes	<u>Break 1</u> 60/30/30/30/30	<u>Break 2</u> 30/30/30/30	

TELEX - COPY

CTV TOR

PATHIREMA LDN

9.4.70. SRL1542 TX27458

MURRAY CHERCOVER

CONFIRMING OUR RECENT DISCUSSION, AM MOST CONCERNED ABOUT PROPOSED WITHDRAWAL OF CONTENT PREFERENCE FOR BRITISH PROGRAMMES IN CANADA. WHILE FULLY REALISE THAT OTHER PROPOSALS MAY POSSIBLY COMPENSATE, I FEEL UNILATERAL WITHDRAWAL OF QUOTA PREFERENCE CAN CAUSE TRADE PRESSURE FOR RECIPROCAL ACTION HERE ON CANADIAN PROGRAMMES.

WITH LIMITED QUOTA HERE FOR FOREIGN PROGRAMMES, SUCH ACTION MIGHT SERIOUSLY HARM CHANCES OF SALE OF CANADIAN PROGRAMMES AND SERIES IN THIS MARKET AND TOTALLY REMOVE INCENTIVES FOR CO-PRODUCTION WHICH WE HAVE BEEN SEEKING SO STRONGLY. FOR EXAMPLE DOUBT WHETHER RECENT SERIES 'RAINBOW COUNTRY' WOULD HAVE BEEN MADE WITHOUT MUTUAL QUOTA ENTITLEMENT.

IN CASE FEELING EXISTS IN CANADA THAT THIS WOULD NOT HARM CANADIAN PRODUCTION, FOLLOWING IS LIST OF CANADIAN SERIES PURCHASED IN U.K. OVER YEARS:

LAST OF THE MOHICANS

RCMP

PLAYDATE

WAYNE AND SHUSTER

LITTLEST HOBO

SEAWAY - CO-PRODUCTION

FOREST RANGERS

WOJECK

AUDUBON

RAINBOW COUNTRY - CO-PRODUCTION

PLUS MANY INDIVIDUAL PROGRAMMES AND SHORT SERIES.

ALTHOUGH TOTAL NUMBERS SMALLER THAN LIST OF BRITISH PROGRAMMES SOLD IN CANADA, WOULD RESPECTFULLY SUGGEST THAT PROPORTIONATELY THE TRAFFIC AT LEAST IS EVEN OR FAVOURS YOU. HOPE THIS INFORMATION HELPFUL TO AVOID ACTION BEING TAKEN WHICH COULD WORK AGAINST OUR MUTUAL OBJECTIVES FOR INCREASED COOPERATION BETWEEN OUR TWO MARKETS. FEEL I CAN SAY THIS OBJECTIVELY IN VIEW OUR RECENT CONSIDERABLE INVOLVEMENT IN 'RAINBOW COUNTRY' PROJECT AND LONG TERM DISCUSSIONS WITH YOU.

REGARDS

BOB NORRIS

C O P Y

MINISTRE DE LA
MAIN-D'OEUVRE ET DE L'IMMIGRATION

Canada

MINISTER OF
MANPOWER AND IMMIGRATION

OTTAWA 2, March 9, 1970.

Dear Mr. Chercover:

Thank you for your letter of February 17, bringing to my attention two items from Toronto newspapers and providing your comments on those items.

In reviewing these articles I have been unable to find support for the suggestion the Canadian Government has "a policy of closing the border to foreign performers." The article entitled "Ottawa looks out for actors" deals with discussions Canada is having with United States officials in an attempt to persuade them to make their entry requirements and procedures for performers much less restrictive and more in line with Canada's. Many Canadian performers' organizations have made representations to me and almost all of them are in favour of a two-way open border for performers. Their reasons are quite similar to yours and I find myself in substantial agreement with these arguments. They argue, for example, that they stand no chance of becoming "internationally established name performers" unless they can penetrate the international market, either through access to the U.S.A. or through participation in Canadian productions designed to penetrate the international market. That is one reason why this department is actively supporting the Government's attempt to have the United States ease its restrictive laws and procedures and grant some degree of reciprocity to Canadian performers. In the meanwhile we are taking no action to restrict the entry of foreign entertainers to Canada.

Mr. Murray Chercover,
President and Managing Director,
CTV Television Network Limited,
42 Charles Street East,
TORONTO 5, Ontario.

2/

C O P Y

- 2 -

Mr. Murray Chercover

March 9, 1970.

The second article - "Directors protest 'Canadian' content" deals with matters largely outside of the jurisdiction of this department. For this reason I am forwarding a copy of your letter and this reply to my colleague, the Honourable Gerard Pelletier, in the event he may wish to deal with the second article more fully than I can. My only comment on it is that the Canadian Directors' Guild states that they do not oppose the production of shows in Canada even though the performers involved are not Canadians. In other words they do not propose restricting the admission of foreign performers. What they do oppose is calling the resulting production 'Canadian' for the purposes of television programming in accordance with the rules of the Canadian Radio and Television Commission. The change they suggest would not, in my view, necessarily produce dire consequences.

I hope that this information has cleared up any misunderstanding about our present policy toward the admission of foreign performers into Canada. Should there be any change in the future, I can assure you that it will be made only after careful analysis of the needs of both employees and employers in the field, as well as the national and public interest.

Yours sincerely,

(signed)

Allan J. MacEachen.

Murray Chercover
President and Managing Director

C O P Y

February 17th, 1970

The Hon. Allan J. MacEachen
Minister of Manpower & Immigration
House of Commons
Ottawa, Canada

Dear Mr. MacEachen:

The attached items appeared in a Toronto paper and demand comment in view of the hoped for prospects of enhancement of the Canadian programming service. A large proportion of the improvement is, in my opinion, dependent on the continued expansion and growth of productions and co-productions designed for international consumption.

While a policy of closing the border to foreign performers may serve the very short term interests of the Canadian performers, it is my view that their long term interests will be best served by developing and sustaining a production industry based on the penetration in the international marketplace. With only the Canadian markets to sustain production the economics are extremely difficult, and without going into detail the kind and quality of programming is severely limited.

While a restriction limiting the inflow of internationally established name performers might create an immediate increase in volume of work for Canadian performers, the ultimate effect would be to reduce the prospects of productions which have a potential in the international marketplace. Since the investment required to penetrate this market is extremely high, and the business entails considerable risk and pre-financing, you can begin to anticipate a downward spiral.

Less investment available for speculative production; less internationally oriented programs on our television channels; less viewership; loss of revenue - all these likely prospects would lead to an industry unable to maintain the program service essentially Canadian in content and character.

C O P Y

- 2 -

The Hon. A.J. MacEachen
February 17th, 1970

I trust these considerations will be examined carefully with professional advisors competent in the field, before any arbitrary decisions are taken.

Sincerely,

(signed)

Murray Chercover.

M. Chercover/pc

cc:

P. Juneau
H.J. Boyle

Attch:

C O P Y - P R E S S C L I P P I N G S

OTTAWA LOOKS OUT FOR ACTORS

OTTAWA (CP)--Canada has begun discussions with the U.S. about restrictions on Canadian entertainers seeking work in the United States, Immigration Minister Allan MacEachen told the House of Commons yesterday.

Replying to a question by Mark Rose (NDP-Fraser Valley West) about a submission on the issue by the Association of Canadian television and Radio Artists, MacEachen said if the talks fail to produce results "we will have to consider alternative actions."

DIRECTORS PROTEST
'CANADIAN' CONTENT

The Canadian Directors' Guild protested to Ottawa yesterday over a clause in the Canadian Broadcasting Act allowing television programs produced in Canada with foreign talent to be classed as Canadian content.

Guild executive-secretary Sam Jephcott said a show now being produced by Screen Gems at CFTO studios, starring drummer Buddy Rich and other American performers and directed and choreographed by Americans, could be classed by Canadian stations as Canadian content.

The guild wants a revision or re-interpretation of parts of the act which allow this, Jephcott said. "We're certainly not against the show being produced here, but if it's classed as Canadian content it's unfair because it's one less show that Canadians could control."

Jephcott said a telegram was sent to the Canadian Radio and Television Commission, The Commons committee on broadcasting, Secretary of State Gerard Pelletier and Immigration Minister Allan MacEachen.

Paul Siren, general secretary of the Association of Canadian Television and Radio Artists said his organization made a similar request to the CRTC last month for a revision of rules defining Canadian content, and was assured the commission is considering ACTRA's views.

CTV TELEVISION NETWORK LTD.ANALYSIS OF 1968/69 PROGRAM COSTS

-----CONTENT RATING-----

<u>NETWORK</u>	<u>CANADIAN</u>	<u>COMMONWEALTH</u>	<u>FOREIGN</u>	<u>FEATURE FILMS</u>	<u>T O T A L</u>
Regular Programs %	\$3,381,012 (62.5)	\$ 365,001 (6.9)	\$1,659,340 (30.6)	--	\$5,405,353 (100.0)
Special Programs %	603,650 (82.7)	--	125,202 (17.3)	--	728,852 (100.0)
Syndication %	17,063 (72.2)	--	6,450 (27.8)	--	23,513 (100.0)
Football %	1,307,467 (100.0)	--	--	--	1,307,467 (100.0)
TOTAL %	<u>\$5,309,192</u> (71.1)	<u>\$ 365,001</u> (4.9)	<u>\$1,790,992</u> (24.0)	<u>--</u> --	<u>\$7,465,185</u> (100.0)
<u>STATIONS</u>					
Regular Programs %	\$ 847,952 (39.0)	\$ 91,800 (4.2)	\$1,232,815 (56.8)	--	\$2,172,567 (100.0)
Special Programs %	51,486 (60.5)	--	34,250 (39.5)	--	85,736 (100.0)
World Hockey %	297,000 (100.0)				297,000 (100.0)
Feature Films %	--	--	--	1,116,494 (100.0)	1,116,494 (100.0)
TOTAL %	<u>\$1,196,438</u> (32.6)	<u>\$ 91,800</u> (2.5)	<u>\$1,267,065</u> (34.5)	<u>\$1,116,494</u> (30.4)	<u>\$3,671,797</u> (100.0)
GRAND TOTAL %	<u>\$6,505,630</u> (58.4)	<u>\$ 456,801</u> (4.1)	<u>\$3,058,057</u> (27.5)	<u>\$1,116,494</u> (10.0)	<u>\$11,136,982</u> (100.0)

PRIME TIME AUDIENCE PERCENTAGE SHARES CANADIAN VERSUS U.S. TV STATIONSTORONTO

JANUARY	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
* Canadian Stations	55	60	63	69	67	59
** U. S. Stations	45	40	37	31	33	38
* CFTO, CBLT, CHCH						
** WBEN, WGR, WKBW						

VANCOUVER

* Canadian Stations	58	57	56	57	52	51
*** U. S. Stations	42	43	44	43	48	49
* CBUT, CHAN & CHEK						
*** KVOS, KOMO, KIRO, KING & KTNT						

Source: A.C. Nielsen NBI Reports

